

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3032 - HB 3099

February 22, 2010

SUMMARY OF BILL: Requires the Tennessee Department of Transportation (TDOT) to develop a program to provide Transportation Challenge Grants to municipalities, counties, and other political subdivisions. Requires participating local governments to provide a higher match to state or federal transportation projects.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant/Highway Fund

Other Fiscal Impact – The Department of Transportation (TDOT) will implement the program using existing revenue from the Highway Fund. Any grants awarded on this basis will be redirected from other projects that would have received the funding in the absence of an enhanced local match. TDOT states that it has not determined the scope of this program. Accordingly, the shift in funding among projects cannot reasonably be quantified. There will be a permissive increase in local expenditures to fund any enhanced match under this program. The permissive increase cannot reasonably be quantified but is estimated to exceed \$50,000.

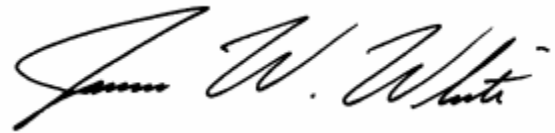
Assumptions:

- Based on information provided by TDOT, currently the average local match requirement is 20 percent of a total award. Approximately \$12,412,333 of local match was allocated to all transportation projects in FY08-09.

- If 10 percent of highway funds are awarded under the enhanced grant funding, \$1,241,233 in local funding will be affected. If local governments increase their share by an average of five percent to receive additional funding, there will be a permissive increase in local expenditures of \$62,062 ($\$1,241,233 \times 0.05 = \$62,062$). These numbers are hypothetical in the absence of information from TDOT about the scope of the program.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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